

QUESTOR TECHNOLOGY INC.
HIGHEST ANNUAL REVENUE AND EARNINGS IN COMPANY HISTORY

Calgary, Alberta (April 2, 2020) – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the year ended December 31, 2019.

2019 FINANCIAL HIGHLIGHTS SUMMARY

(Stated in Canadian dollars except shares outstanding)

For the years ended December 31	2019	2018	Increase (decrease)
Revenue	30,194,235	23,472,526	6,721,709
Gross profit	16,262,157	13,781,407	2,480,750
Profit for the year	7,428,590	7,137,524	291,066
Gross profit as a percent of revenue	54.0%	59.0%	(5.0%)
Net cash generated from operating activities	11,580,096	9,003,702	2,576,394
As at December 31			
Total assets	42,110,012	30,942,245	11,167,767
Total equity	35,333,667	26,379,455	8,954,212
Shares outstanding ⁽¹⁾			
Basic	27,048,432	26,465,110	583,322
Diluted	27,649,762	27,358,637	291,125
Earnings per share			
Basic	0.28	0.27	0.01
Diluted	0.27	0.26	0.01

⁽¹⁾ *Weighted average shares outstanding during the year.*

Questor’s Audited Consolidated Financial Statements and Management’s Discussion and Analysis for the year ended December 31, 2019 is available on the Company’s website at www.questortech.com and through SEDAR at www.sedar.com.

PRESIDENT'S MESSAGE

I am pleased to report that 2019 was another successful year for Questor and the team has delivered strong results with the highest yearly revenue and earnings in the Company's 25-year history. Our revenue, \$30.2 million, increased by 29% or \$6.7 million for the twelve months ending December 31, 2019 versus the same period in 2018. \$2 million of revenue for 5 incinerator units was deferred, as clients took delivery after the close of the year. Gross profit increased \$2.5 million or 18% from \$13.8 million in 2018 to \$16.3 million in 2019. We strengthened our financial position in 2019 and cash increased 53% to \$13.5 million at December 31, 2019 from \$8.8 million at December 31, 2018.

Our customer base in Colorado and North Dakota expanded from 11 customers to 26 in 2019, further diversifying our revenue streams. We were awarded the design, manufacture and install of an incinerator to handle methane at a waste water treatment plant, our first purchase order from outside the oil and gas industry. We successfully commercialized our Waste Heat to Power technology at three sites in Mexico and penetrated new markets in New Mexico, Texas and Pennsylvania all whilst maintaining a strong presence in Colorado in the face of stiff industry head winds. We approached 2019 strategically disciplined, focused on consistent execution, a strong balance sheet, free cash flow generation, compelling returns on capital, and a clear commitment to environmental, social and governance leadership.

The activity in the first quarter of 2020 showed indications of increased sales and rental revenue growth in new markets, such as the Permian in Texas and New Mexico, and the Marcellus and Utica in Pennsylvania. We added a sales team to support those areas with further infrastructure to be added after a set level of business was obtained. Other encouraging signs included stricter State emission regulations with a focus on methane, our client's' commitments to emission reduction targets, the general public's expectations of clean energy and the enquiries initiated by the power generation projects in Mexico.

In the space of a few weeks the world changed. The oversupply of oil from Saudi Arabia and Russia has resulted in significantly lower oil prices. As well, the world has been besieged by the Coronavirus pandemic, straining the global economy and drastically reducing the global demand for oil. These factors are weighing heavily on energy prices and activity within the oil and gas sector. Lower oil prices have had a direct impact on capital budgets and the cash flow of oil producers. Currently producers are conserving cash, reducing capital budgets, cutting back on projects and reducing activity to live within cash flow. This is resulting in lower demand for the Company's products and services, which has caused us to re-evaluate our growth initiatives for 2020. Although the Company feels that oil prices are unsustainably low over the medium term, it is difficult to predict if the current global situation will persist for weeks, months or quarters.

Companies with cash reserves and a balanced capital structure will be best situated to weather this price storm and we have preliminary indications that these companies will continue with their capital plans but perhaps at a slower pace. Significant consolidation is likely to occur within the industry. Resilient oil and gas companies, particularly those with international assets, will continue

to focus in the medium to long term on addressing the commitments they have made to their investors and the public, which includes reducing greenhouse gas emissions. Questor's technology solutions will play an instrumental role in enabling these companies to meet their goals and targets. We are focused on serving our growing list of clients as they transition to meeting requirements of this new environmental reality. As these companies ramp up and return to normal activity levels, Questor will be ready.

Questor's strong balance sheet with zero debt, our substantial cash reserves, and large rental fleet will enable us to plan and strategize during this challenging market cycle and emerge as a stronger company. This strong foundation will enable us to move forward on a series of strategic initiatives and support our exponential growth when the market's confidence has returned. Questor intends to preserve its cash flow through 2020 and continue to be fiscally responsible, making prudent capital investments during this challenging period.

In 2020, our newly formed sales team will focus on gaining market share within the new markets outlined, educating our customers around our solutions for combating emissions and gathering market intelligence in their areas of responsibility. We will continue to build our digital capability focused on an emissions platform. We are proceeding with GEMMA, our emissions excellence center in Calgary, which will offer our clients predictive emission monitoring (PEMS), ensuring they meet their regulatory emissions targets. This digital platform will eventually enable us to credibly quantify emission reductions for our clients and guarantee a zero emissions site, with the end goal of monetizing the emission reduction offsets. Building on our success in 2019 of securing an order in a waste water treatment plant, we will continue to explore market opportunities outside the oil and gas industry. Our technology solution can be used in landfills, agriculture, biodigesters, manufacturing plants, and coal mining among many other emission-producing industries. Finally, we will be expanding our waste heat to power offering into other industries and applications.

Over our 25-year history, we have weathered storms before and have come out stronger as they pass. Our underlying theme for this down cycle is resilience, and this is required to survive and succeed in 2020. That resilience is born from experience, hard work, preparedness, great products, creativity, adaptability and an excellent team that is experienced with challenge and change. While every challenge tests you in different ways, the Company is confident that with our base, our approach to business and outstanding customer service, we will emerge from this challenge, poised for continued success.

2019 HIGHLIGHTS

- Revenue increased \$6.7 million (29%) for the twelve months ending December 31, 2019 versus the same period of 2018:
 - Incinerator equipment sales increased over 100% from \$5.2 million in 2018 to \$11.8 million in 2019;

- Revenue from incinerators rentals is consistent with the prior year - \$15.7 million in 2019 versus \$16.1 million in 2018;
 - Incinerator service revenue increased 18% from \$2.2 million in 2018 to \$2.6 million in 2019;
 - The Company invested \$7.2 million during the year in the rental fleet, expanding the rental pool and further increasing revenue capacity;
 - The Company's successful marketing efforts expanded its customer base in Colorado and North Dakota during 2019 increasing from 11 customers in 2018 to 26 customers in 2019 further diversifying revenue streams over a larger customer base.
 - At December 31, 2019 the Company recorded \$2.0 million in deferred revenue. During the first quarter of 2020, the Company has delivered 5 incinerator units to customers. As a result of this work being completed, the Company recorded \$1.5 million of sales revenue with a corresponding decrease of deferred revenue in the first quarter of 2020.
- Gross profit increased \$2.5 million (18%) from \$13.8 million in 2018 to \$16.3 million in 2019 as a result of:
- Capturing gross profit on incremental sales and service revenue;
 - Gross profit as a % of revenue decreased from 59 % in 2018 to 54% in 2019 as a result of high mix of sales revenue, sales revenue carries lower higher of sales which resulted in 5% lower overall margins and gross profit;
 - The Company's commitment to supply chain management with a focus on procuring quality materials and sourcing materials at competitive prices.
 - The Company's continued focused on managing operations infrastructure ensuring indirect operational resource additions are consistent with increased activity and revenue growth.
- Earnings increased \$0.3 million (4%) for the twelve months ending December 31, 2019 versus 2018. The \$2.5 million incremental gross profit was impacted by the following incremental expenses incurred during 2019 versus the prior year:
- Administrative expenses increased \$0.9 million to support the growth initiatives implemented during the year;
 - Legal fees increased \$0.8 million as result of the lawsuit initiated by the Company;
 - The Company recorded a \$0.3 million foreign exchange loss for the year ended December 31, 2019 versus a gain of \$0.4 million in 2018. The Canadian dollar strengthened significantly versus the US dollar in the last week of December 2019 resulting in a \$0.3 million unrealized exchange loss recorded at year-end on US receivables and cash balances held.

- The Company significantly strengthened its financial position during the year:
 - Cash increased to \$13.5 million at December 31, 2019 from \$8.8 million at December 31, 2018;
 - The Company invested \$7.2 million in capital equipment during 2019 funded by cash balances and cashflow from operations;
 - The Company's has over \$17 million of long-life revenue generating assets at December 31, 2019;
 - At December 31, 2019, the Company has an undrawn \$1.0 million revolving demand loan facility and an undrawn \$5.0 million capital loan facility;
 - Healthy cash reserves and a balanced capital structure provides the working capital to thrive during tough market cycles.
 - The Company's strong balance sheet will serve as a foundation to launch into new products and markets.

FOURTH QUARTER 2019 FINANCIAL HIGHLIGHTS SUMMARY

For the three months ended December 31	2019	2018	Increase (decrease)
Revenue	6,816,530	5,980,907	835,623
Gross profit	3,242,431	2,775,709	466,722
Profit for the period	1,062,384	1,513,342	(450,958)
Gross profit as a percent of revenue	48.0%	46.0%	16%
Earnings per share			
Basic	0.04	0.06	(0.02)
Diluted	0.04	0.06	(0.02)

FOURTH QUARTER 2019 HIGHLIGHTS

Revenue increased \$0.8 million (14%) for the three months ending December 31, 2019 versus the same period of 2018. Revenue from incinerators rentals decreased 30% from \$3.6 million in 2018 to \$2.5 million in 2019. Incinerator equipment sales increased over 100% from \$1.8 million in 2018 to \$3.8 million in 2019. Incinerator service revenue decreased 17% from \$0.6 million in 2018 to \$0.5 million in 2019. Most of the increase in revenue was result of Questor's equipment sales to Mexico and Pennsylvania.

Gross profit increased \$0.5 million (17%) from \$2.8 million in 2018 to \$3.6 million in 2019 as result of higher incinerator sales revenue. For the three months ended December 31, 2019, gross profit increased \$0.4 million on a revenue increase of \$0.8 million. Gross margin performance is consistent with expectations.

Earnings decreased \$0.5 million (30%) for the three months ending December 31, 2019 versus 2018. The \$0.5 million incremental gross profit was impacted by the following incremental expenses incurred during 2019 versus the prior year; administrative expenses increased \$0.3

million to support the growth initiatives implemented during the year, legal fees increased \$0.3 million as result of the lawsuit initiated by the Company, the Company recorded a \$0.2 million foreign exchange loss for the year ended December 31, 2019 versus a gain of \$0.2 million in 2018.

OUTLOOK

Key Markets

The global coronavirus pandemic and economic slump are weighing heavily on energy prices. There are indications that prices could fall further, as demand growth for crude falls, leading to the potential for another oil price collapse, particularly if global supplies continue to grow. Lower oil prices have a direct effect on the cash flows of oil producers. If prices remain at the current level, producers will conserve cash and be forced to cut back on projects resulting in lower demand for the Companies products and services. Although the Company feels that oil prices are unsustainably low over the medium term, it is difficult to predict if the current status could persist for weeks, months, or quarters.

The Company believes that a strong balance sheet is imperative for success and has its focused efforts to that strategy for several years. Financial strength not only protects the Company in economic turmoil but enables growth when the market's confidence returns to normal. The Company currently has substantial cash reserves, a large rental fleet, and no debt.

ABOUT QUESTOR TECHNOLOGY INC.

Headquartered in Calgary, Alberta, Questor has a trained workforce who provide specialized waste gas incineration products and services that may be required for the exploration, development and production of oil and gas reserves.

There are several methods for handling waste gases at oil and gas facilities, the most common being combustion. Flaring and incineration are two methods of combustion accepted by most provincial and state regulators. Historically, the most common type of combustion has been flaring. Flaring is the igniting of natural gas at the end of a flare stack—a long metal tube up which the gas is sent. This causes the characteristic flame associated with flaring.

Incineration is the mixing and combusting of waste gas streams, air, and fuel in an enclosed chamber. Air and gas are mixed at a controlled rate and ignited; no flame is visible from an incinerator that is operating properly. Properly designed incinerators can result in higher combustion efficiency than flares. A correctly operated incinerator can yield higher efficiencies through proper mixing, gas composition, retention time, and combustion temperature. Combustion efficiency, generally expressed as a percentage, is essentially the amount of methane converted to CO₂, or H₂S converted to SO₂. The more converted, the better the efficiency.

Questor designs, manufactures and services proprietary high efficiency waste gas incineration systems. The Company's incineration product line is based on clean combustion technology that was developed by the Company and patented in both Canada and the United States in 1999. Questor has continued to evolve the technology over the years making a number of improvements

from the original patent. The Company currently has five new patent filings that are currently pending, the original clean combustion patent expired November 2019.

Questor's highly specialized technical team works with the client to understand the waste gas volume and composition. The Company's technical team determines the correct incineration product specification to achieve 99.99 percent combustion efficiency. The incinerators vary in size to accommodate small to large amounts of gas handling, the range is 50 mcf/d to 5,000 mcf/d. The incinerators also range in automation and instrumentation depending on the client's requirements. Questor's incinerators are used in multiple segments of the Oil and Gas industry including drilling, completions, production, midstream and downstream.

The Company has three primary revenue streams: incinerator sales, incinerator rentals and incinerator services. Incinerator services include incinerator hauling, commissioning, repairs, maintenance and decommissioning. The Company offers incinerator products for purchase or for rent. Questor's current key incineration markets are Colorado, North Dakota, Mexico, Pennsylvania, Texas, Alberta and Northeast BC. The United States Environmental Protection Agency (EPA) issued regulations to reduce harmful air pollution arising out of crude oil and natural gas industry activities with a particular focus on the efficient destruction of volatile organic compounds (VOC's) and hazardous air pollutants (HAP's) and has recently introduced methane emission reduction legislation. In conjunction with U.S. Environmental Protection Agency (EPA) regulations, Colorado's Regulation 7 mandates the use of enclosed combustion (incinerators) and now targets methane, resulting in a statewide focus on the responsible management of potentially fugitive hydrocarbons. North Dakota also has additional requirements that reflect some of the unique and specific needs that extend beyond the EPA's requirements. At December 31, 2019, over 90% of the Company's incinerator rental fleet is in Colorado and North Dakota where regulation supports demand for its proprietary high efficiency waste gas incineration systems.

The Company services its key markets with field offices in Brighton and Fort Lupton, Colorado, Watford City, North Dakota and Grande Prairie, Alberta. The infrastructure at the field offices consist of field technicians, maintenance technicians, technical sales and administration. The facilities generally include office space, maintenance shop and a yard to store incinerators. Questor personnel based out of the Company's head office in Calgary, Alberta include Officers of the Corporation, management, engineering, technical sales, accounting and administration.

Questor trades on the TSX Venture Exchange under the symbol 'QST'.

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